

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS FILE ☒ WATER SANDS LOCATION INSPECTED SUB. REPORT/abd.

910318 FZ to Petro-X eff. 1-24-91:

DATE FILED 1-03-89

LAND: FEE & PATENTED STATE LEASE NO.

PUBLIC LEASE NO. U-16962-A

INDIAN

DRILLING APPROVED: 1-17-89 (CAUSE NO. 102-16B)

SPUDDED IN:

COMPLETED: 7-27-92 LA PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED:

FIELD:

UNIT:

COUNTY:

WELL NO.

LOCATION

LAD Per BLM EFF. 7-27-92
GREATER CISCO

GRAND

FZ 22-2

API NO. 43-019-31283

FT. FROM (N) (S) LINE.

2198' FWL

FT. FROM (E) (W) LINE.

SENW

1/4 -- 1/4 SEC.

22

TWP.

RGE.

SEC.

OPERATOR

TWP.

RGE.

SEC.

OPERATOR

21S

23E

22

Petro-X Corporation
FIRST ZONE PRODUCTION INC

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

(Other instructions on reverse)

LGR

APPLICATION FOR PERMIT TO DRILL OR PLUG BACK

U-16962A

1a. Type of Work
DRILL ☒ DEEPEN ☐ PLUG BACK ☐
1b. Type of Well
(Oil Well) ☒ (Gas Well) ☒ (Other) ☐
2. Name of Operator
First Zone Production, Inc. DIVISION OF OIL, GAS & MINING
3. Address of Operator
2040 East 4800 South, Suite 145 Salt Lake City, UT
4. Location of Well (Report location clearly and in accordance with any State requirements.)
At surface 1642 Ft from North Line and 2198 Ft from West Line.
At proposed prod. zone Within 50'
16. Distance in miles and direction from nearest town or post office
Four miles North west Cisco, Utah 84515
17. Distance from previous location to nearest property or lease line, ft. (Also to nearest drilg. line, if any) 990'
18. Distance from previous location to nearest well, drilling, completed, or applied for, on this lease, ft. 400'
19. No. of acres in lease 560
20. Previous depth 1000
21. Rotary or cable tool Rotary
22. Approx. date work will start AS SOON AS APPROVED

10. Field and Prod. or Wilizat Greater Cisco Area
11. Sec., T., R., M., or Bld. and Survey of Area Sec 22, T21S, R23E
12. County or Parish Grand Utah

13. Distance from previous location to nearest property or lease line, ft. (Also to nearest drilg. line, if any) 990'
14. No. of acres in lease 560
15. No. of acres adjacent to this well 10.0
16. Distance from previous location to nearest well, drilling, completed, or applied for, on this lease, ft. 400'
17. Previous depth 1000
18. Rotary or cable tool Rotary
19. Approx. date work will start AS SOON AS APPROVED

20. Elevations (Show whether HV, RT, GR, etc.) 4418' GR
21. APPROVED, date work will start AS SOON AS APPROVED

PROPOSED CASING AND CEMENTING PROGRAM				
Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
8 5/8"	7"	18# J-55	150'	Cemented back to surface
6 1/4"	4 1/2"	9.5 J-55	TD	Cemented 400' above high Hydrocarbon or water zone

RECEIVED
MO&E DISTRICT OFFICE
1988 OCT 21 AM 9:34
BUREAU OF LAND MANAGEMENT

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If program is to deepen or plug back, give data on present productive zone and proposed new zone. If program is to drill or deepen significantly, give pertinent data on subsurface conditions and measured and true vertical depths. Give proposed completion formation, if any.

24. Signature of Applicant JAKE HAROUNY Title President Date 10/16/88

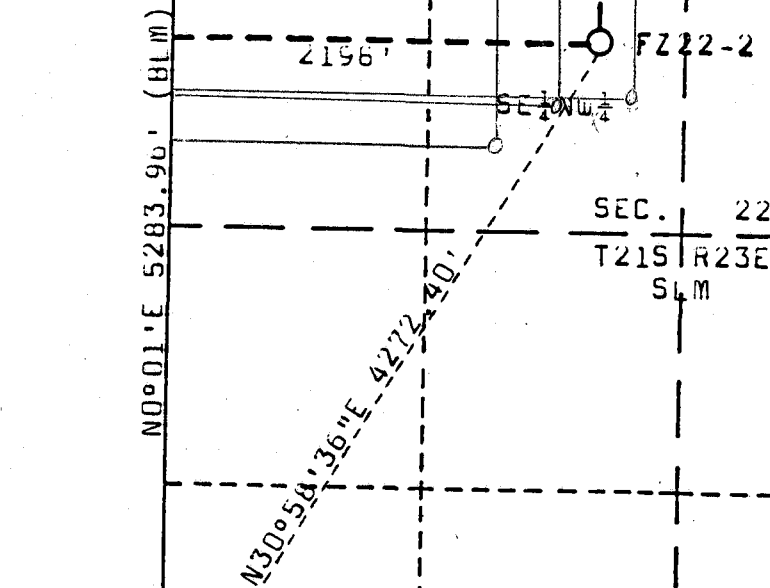
25. Signature of District Manager /s/ Gene Nodine Title DISTRICT MANAGER Date DEC 08 1988

*See Instructions On Reverse Side

CONDITIONS OF APPROVAL ATTACHED

FLARING OR VENTING OF GAS IS SUBJECT TO NTL 4-A Dated 1/1/80

BLM BC (1964) S89°27'W 2059.34' (BLM) N89°44'W (BLM)



BLM BC (1964)

1000 0 1000
SCALE: 1" = 1000'

FZ22-2

Located 1642 feet from the North line and 2198 feet from the West line of Section 22, T21S, R23E, SLM.

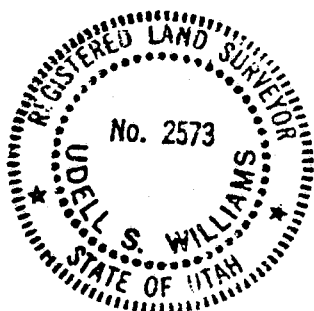
Elev. 4418

Grand County, Utah



RECEIVED
MOAB DISTRICT OFFICE
1988 OCT 21 AM 9:35

BUREAU OF LAND MANAGEMENT



SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

Udell S. Williams
Utah RLS No. 2573



UDELL S. WILLIAMS
751 Rood Avenue
Grand Junction, Colorado 81501

PLAT OF
PROPOSED LOCATION

FZ22-2
SE $\frac{1}{4}$ NW $\frac{1}{4}$ SECTION 22
T21S, R23E, SLM

SURVEYED BY: USW DATE: 10/15/88
DRAWN BY: USW DATE: 10/17/88

First Zone Production, Inc.
Well No. FZ 22-2
SENW Sec. 22, T. 21 S., R. 23 E., SLB&M
Grand County, Utah
Lease U-16962-A

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that First Zone Production Inc., is considered to be the operator of the above well, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by Bond No. UT0635 Personal Bond in lieu of Statewide Oil and Gas Bond in the amount of \$25,000 (Obligor - First Zone Production, Inc.) via consent as provided for in 43 CFR 3104.1

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

A. DRILLING PROGRAM

Pressure control equipment will be pressure tested to 800 psig or 70% of internal yield of casing. Pressure test will be conducted prior to drilling out from surface casing shoe.

An accumulator and choke manifold system will be installed and operational during drilling operations. This equipment will meet standards set forth in API RP 53. Any deviations must be approved in advance by an authorized officer.

All BOP and casing tests will be recorded in drillers log.

Cement for surface pipe will be circulated to the surface.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Order 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to the field representative to insure compliance.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the District Office. If operations are to be suspended, prior approval of the District Office will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the Resource or District Office within a minimum of 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office 24 hours after spudding. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular work day.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Area Office in accordance with requirements of NTL-3A.

If a replacement rig is needed for completion operations, a Sundry Notice (Form 3160-5) to that effect will be filed for prior approval from the District Office, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergency situations, verbal approval to bring on a replacement rig will be approved through the District Office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Moab District Manager.

If the well is to be completed for production the Area Office is to be contacted in order to set up a pre-production conference. When the well is placed in a producing status the District Office is to be notified by telegram or other written communication within five working days.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

No well abandonment operations will be commenced without the prior approval of the District Office. In the case of newly-drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the District Office. A Subsequent Report of Abandonment (Form 3160-5) will be sent to the District Office within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Office, or the appropriate surface managing agency. Upon completion of approved plugging, a dry hole marker will be erected in accordance with 43 CFR 3162.6. The top of the marker will be closed or capped. The following minimum information will be permanently placed on the marker; "Fed" or "Ind", as applicable, "Lease Number", "Well number", location of well by 1/41/4 section, township, and range.

B. SURFACE USE PROGRAM

During periods of wet weather, when activity would result in deep rutting to access routes, the activity will stop. Ruts of six inches or more will be considered excessive. Roads will be re-graded within five days of occurrence.

Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed will be approved by the Area Manager in advance.

The access road will be rehabilitated or brought to Resource (Class III) Road Standards within sixty (60) days of dismantling of the drilling rig. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

Immediately upon completion of drilling, the location, and surrounding areas will be cleared of all remaining debris, materials, trash, and junk not required for production.

If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to the appropriate rental, or other financial obligation determined by the authorized officer.

The top 8-12 inches of soil material will be removed from the location and stockpiled separately on the edge of the location.

The reserve pit will not be lined: it will be placed on the NE side of the pad.

Three sides of the reserve pit will be fenced with woven wire before drilling starts. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying.

All trash must be contained and disposed of by a trash cage.

If burning is required, a permit will be obtained from the State Fire Warden (801) 259-6316.

Produced waste water will be confined to an unlined pit for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).

Location of tank batteries and production facilities are not authorized under this permit. Upon completion of the well, a Sundry Notice (Form 3160-5) and map will be submitted to the District, detailing the proposed production layout.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the battery.

All loading lines and valves will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.

All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

Gas meter runs for each well will be located within five hundred (500) feet of the wellhead. The gas flowline will be buried from the wellhead to the meter along with any other sections occurring on the pad. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three (3) months on new meter installations and at least quarterly thereafter. The Area Manager will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration reports will be submitted to the Resource Area Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligation determined by the authorized officer.

All permanent (onsite for six (6) months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective, earth tone color to match the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within six (6) months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will be as follows: slate gray.

NOTIFICATIONS

Notify the Grand Resource Area, at (801) 259-8193 for the following:

2 days prior to commencement of dirt work, construction or reclamation;

1 day prior to spudding;

1 day prior to pressure testing of BOPE and/or surface casing.

Your contact with the Grand Resource Area Office is:

Jeff Robbins

Office Phone (801) 259-8193

Home Phone (801) 259-7964

Grand Resource Area office address:

Grand Resource Area
Sand Flats Road, P.O. Box M
Moab, Utah 84532

Notify the Moab District Office, Branch of Fluid Minerals, at (801) 259-6111 for the following:

No well abandonment operations will be commenced without the prior approval of the District Manager. In the case of newly drilled dry holes, and in emergency situations, verbal approval can be obtained by calling the following individuals, in the order listed.

Dale Manchester, Petroleum Engineer

Office Phone: (801) 259-6111

Lynn Jackson, Chief, Branch of Fluid Min.

Office Phone (801) 259-6111
Home Phone (801) 259-7990

Paul Brown, I&E Coordinator

Office Phone (801) 259-6111
Home Phone (801) 259-7018

24 hours advance notice is required for all abandonments.

1988 OCT 31 AM 10: 59

SELF CERTIFICATION STATEMENT

Bond coverage for this well is provided by Bond No. U-0635.
(Principal \$25,000 Statewide Bond) via surety consent as provided
for in 43 CFR 3104.2.

By: Jake Harouny
Jake Harouny, President

FILING FOR WATER IN THE STATE OF UTAH

RECEIVED
JUL 0 1988
WATER

Rec. by JD
Fee Rec. 30.00
Receipt # 24504
Microfilmed _____
Roll # _____

APPLICATION TO APPROPRIATE WATER

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3 of the Utah Code Annotated 1953, as amended.

WATER USER CLAIM NO. 01 - 289

TEMPORARY

APPLICATION NO. T63357

1. PRIORITY OF RIGHT: July 8, 1988 FILING DATE: July 8, 1988

2. OWNER INFORMATION

Name: First Zone Production

Address: 2046 East 4800 South, Salt Lake City, UT 84117

3. QUANTITY OF WATER: 2.0 acre feet (Ac. Ft.)

4. SOURCE: Colorado River DRAINAGE: NW Colorado River

POINT(S) OF DIVERSION:

COUNTY: Grand

(1) S. 700 feet, E. 2300 feet, from the NW Corner of Section 22,
Township 21 S, Range 24 E, SLB&M

Description of Diverting Works: Pump and Truck

COMMON DESCRIPTION: Fish Ford

5. NATURE AND PERIOD OF USE

Oil Recovery: From July 11 to July 11.

6. PURPOSE AND EXTENT OF USE

Oil Recovery: Water will be used for oil exploration.

7. PLACE OF USE

The water is used in all or parts of each of the following legal subdivisions.

TOWN	RANGE	SEC	North East Quarter				North West Quarter				South West Quarter				South East Quarter			
			NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$
20 S	23 E	32										X	X			X	X	
21 S	23 E	13										X						
21 S	23 E	15																X
21 S	23 E	16													X			
21 S	23 E	21				X									X			
21 S	23 E	22					X	X	X		X		X			X	X	
21 S	23 E	23					X	X	X									
21 S	23 E	27					X	X										

All locations in Salt Lake Base and Meridian

EXPLANATORY

Water will be trucked from diversion point to places of use. The period of use will be from July 11, 1988 to July 11, 1989. Oil exploration wells will be drilled at the following locations;

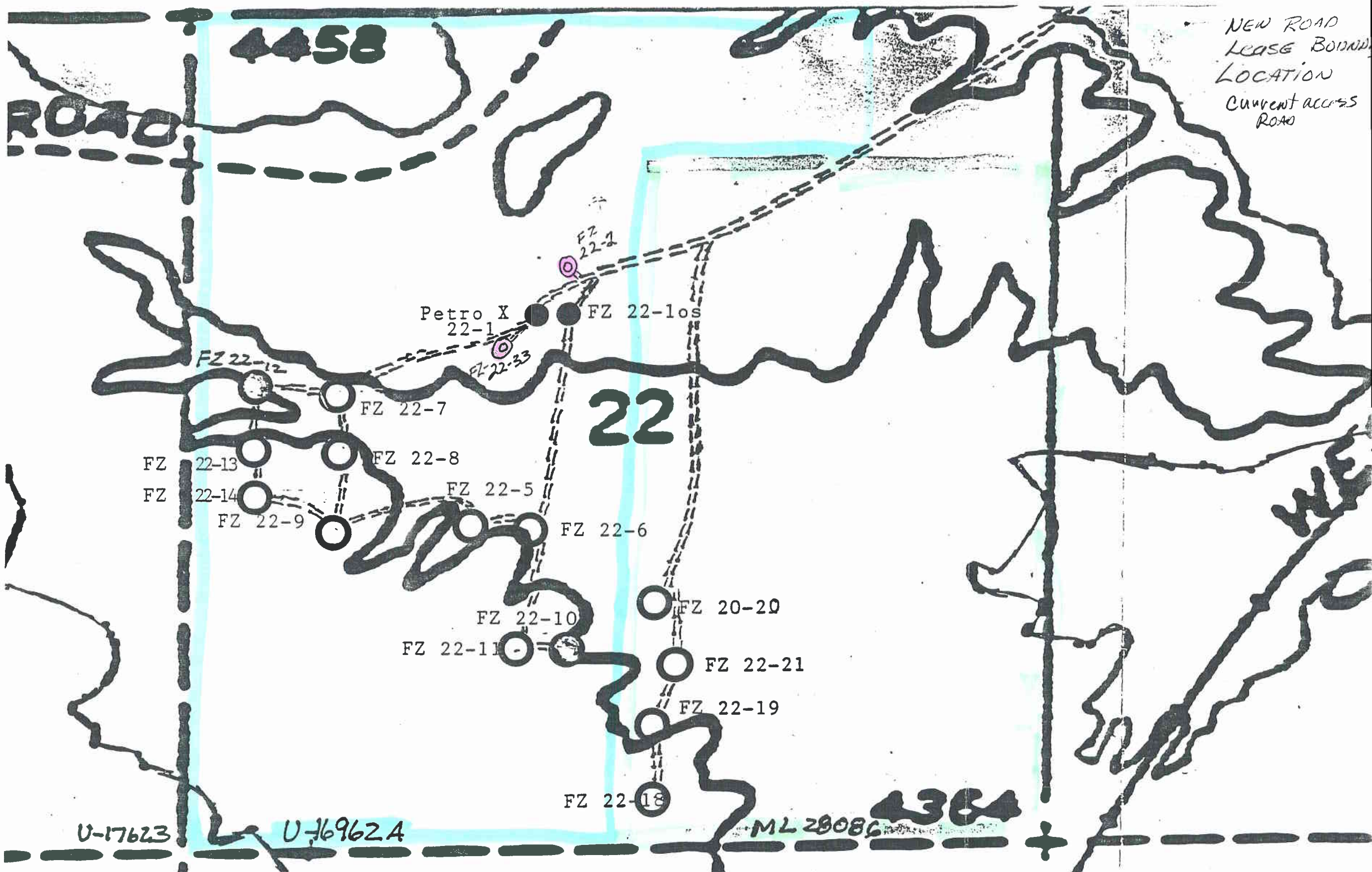
- 1) N 500 ft. and W 990 ft. from SE Cor. Sec. 15, T21S, R23E, SLB&M
- 2) S 4500 ft. and E 2400 ft. from NW Cor. Sec. 22, T21S, R23E, SLB&M
- 3) S 300 ft. and E 1200 ft. from NW Cor. Sec. 27, T21S, R23E, SLB&M
- 4) S 300 ft. and E 1600 ft. from NW Cor. Sec. 27, T21S, R23E, SLB&M

Appropriate

ROAD

4458

NEW ROAD
LEASE BOUNDARY
LOCATION
Current access
ROAD



OPERATOR First Zone Production Inc. DATE 1-3-89

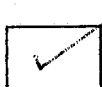
WELL NAME FZ 22-2

SEC SE1/4 22 T 21S R 23E COUNTY Grand

43-019-31283
API NUMBER

Federal
TYPE OF LEASE

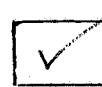
CHECK OFF:



PLAT



BOND



NEAREST
WELL



LEASE



FIELD



POTASH OR
OIL SHALE

PROCESSING COMMENTS:

Nearest well ok under Cause 102-110B

Water Permit 01-289 / T63357

Btm - Approved 12-8-88. 12-15-88 Reg. APD. Received 1-3-89.

APPROVAL LETTER:

SPACING: ☐ R615-2-3

UNIT



R615-3-2



102-110B 11-15-79
CAUSE NO. & DATE



R615-3-3

STIPULATIONS:

FIRST ZONE PRODUCTION, INC.
2040 East 4800 South
Suite 115
Salt Lake City, Utah 84117

RECEIVED
JAN 09 1988

DIVISION OF OIL, GAS, AND MINING
3 Triad Center
Suite 350
Salt Lake City, Utah 84180-1203

DIVISION OF
OIL, GAS & MINING

Attn: Ms. Lisha Romero
Drilling Applications

December 30, 1988

RE: Locations Cisco, Utah
Section 22, T21S, R23E
Grand County

Lisha:

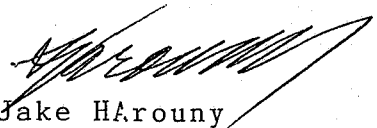
Pursuant to our phone conversation concerning some applications for Cisco, Utah, I have enclosed another copy of two locations that were approved by the Moab District, BLM.

Apparently we either didn't send copies to your office, or they were lost in transit.

Both of these locations meet the spacing criteria, and the locations ~~on~~ are leases owned by First Zone Production, Inc.

Sorry for any problem that this may have caused your office, and thank you for your assistance in getting them approved.

Sincerely,


Jake Harouny
President

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

U-16962A

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. Type of Work
☒ DRILL ☐ DEEPEN ☐ PLUG BACK

2. Name of Operator
 First Zone Production, Inc. DIVISION OF OIL, GAS & MINING

3. Address of Operator
 2040 East 4800 South, Suite 105 Salt Lake City, UT

4. Location of Well (Report location clearly and in accordance with any State requirements.)
 AS surface 1642 Ft from North Line and 2198 Ft from West Line. SENE

5. Well No.
 FZ 22-2

6. From and To, or Within
 Greater Cisco Area

7. Sec., T., R. or S. and Survey or Area
 Sec 22, T21S, R23E

8. County or Partion
 Grand Utah

9. No. of acres adjacent to this well
 10.0

10. Rotary or cable tool
 Rotary

11. Approx. date work will start
 AS SOON AS APPROVED

12. Distance in miles and direction from nearest town or post office
 Four miles North west Cisco, Utah 84515

13. Distance from nearest property or lease line, ft. (Also to nearest str. line, if any)
 990'

14. Distance from nearest location to nearest well, drilling, completed, or applied for, on this lease, ft.
 400'

15. Elevation (Show whether H.F., RT., GR., etc.)
 4418' GR

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
8 5/8"	7"	18# J-55	150'	Cemented back to surface
6 1/4"	4 1/2"	9.5 J-55	TD	Cemented 400' above high Hydrocarbon or water zone

Formations:

Mancos Shale surface to 640'
 Dakota 640-750
 Cedar Mt 750-850
 Morrison 850-1000

APPROVED BY THE STATE
 OF UTAH DIVISION OF
 OIL, GAS, AND MINING

DATE: 1-17-89

BY: J. R. B.

WELL SPACING: Cause No. 102-16B

RECEIVED
 MOAB DISTRICT OFFICE
 1988 OCT 21 AM 9:34
 BUREAU OF LAND MANAGEMENT

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed in the closure or plug back, give data on present productive zone and proposed new zone closure zone. If proposed in to drill or deepen, give pertinent data on subsurface formation and reservoir and true vertical depth. Give blowout information, if any.

21. Signature JAKE HARGONY **Title** President **Date** 10/16/88

43-019-31283

Gene Rodine District Mgr. 12/18/88

*See Instructions On Reverse Side

CONDITIONS OF APPROVAL ATTACHED

FLARING OR VENTING OF
 GAS IS SUBJECT TO NTL 4-A
 Dated 1/1/80



State of Utah

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

January 17, 1989

First Zone Production, Inc.
2040 East 4800 South, Suite 101
Salt Lake City, Utah 84117

Gentlemen:

Re: FZ 22-2 - SE NW Sec. 22, T. 21S, R. 23E - Grand County, Utah
1642' FNL, 2198' FWL

Approval to drill the referenced well is hereby granted in accordance with the Order of Cause No. 102-16B dated November 15, 1979.

In addition, the following actions are necessary to fully comply with this approval:


1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form OGC-8-X.
4. Prompt notification if it is necessary to plug and abandon the well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-22, Gas Flaring or Venting, Oil and Gas Conservation General Rules.
6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.

Page 2
First Zone Production, Inc.
FZ 22-2
January 17, 1989

7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-019-31283.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

lr
Enclosures
cc: Branch of Fluid Minerals
D. R. Nielson
WE14/1-2

3104
(U-942)

JAN 14 1991

DECISION

Petro-X Corporation : \$25,000 Statewide
970 East 3300 South, S-9 : Oil and Gas Bond
Salt Lake City, Utah 84106 :

Statewide Personal Cash Bond Accepted
First Zone Production's \$25,000 Personal Bond Terminated

On January 7, 1991, the Moab and Vernal Districts approved a change of operator from First Zone Production to Petro-X Corporation (Petro-X) on all leases operated by First Zone Production.

First Zone Production has authorized this office to transfer the cash proceeds from its bond to Petro-X as soon as the change of operator is approved. This change was approved January 7, 1991, a proper bond form has been filed by Petro-X, and the bond is accepted effective January 7, 1991.

The funds will be retained in a suspense account until all terms and conditions of the leases have been fulfilled or until satisfactory replacement bond coverage has been accepted.

The bond constitutes coverage of all operations conducted by or on behalf of Petro-X on Federal oil and gas leases in the State of Utah where Petro-X has interest in, and/or responsibility for operations on, leases issued under the authority of any of the Acts cited on the bond form. Please note that Federal leases do not include Indian leases.

The period of liability on First Zone Production's bond is terminated effective January 7, 1991.

/s/ ROBERT LOPEZ

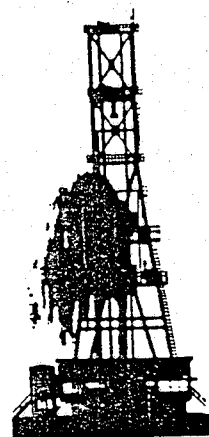
Chief, Minerals
Adjudication Section

cc: All District Offices
U-920 (Al McKee)

PETRO - X CORPORATION

970 East 3300 South Suite #9
Salt Lake City, Utah 84106

Telephone: 801-467-7171



BUREAU OF LAND MANAGEMENT
MOAB DISTRICT OFFICE
P. O. BOX 970
MOAB, UTAH 84532

JANUARY 4, 1991

RE: CHANGE OF OPERATOR

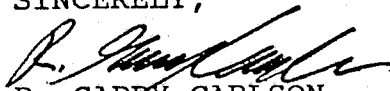
GENTLEMEN:

YOUR OFFICE IS HERewith NOTIFIED THAT PETRO-X CORPORATION IS TAKING OVER AS THE OPERATOR FOR ALL OF THE PROPERTIES HERETOFORE OPERATED BY FIRST ZONE PRODUCTION.

A LIST OF THE LEASES AND WELLS IS HERewith ATTACHED. THIS DOCUMENT WAS GENERATED BY THE UTAH STATE OFFICE.

ADDITIONALLY, YOUR OFFICE IS DIRECTED TO CONTACT MS. IRENE J. ANDERSON, LAND LAW EXAMINER, AT THE UTAH STATE OFFICE, 539-4108 OR FTS 581-4108, CONCERNING THE BONDING OF PETRO-X CORPORATION.

SINCERELY,


R. GARRY CARLSON
PRESIDENT

CC: FIRST ZONE PRODUCTION, INC.
CCCO
UTAH STATE OFFICE

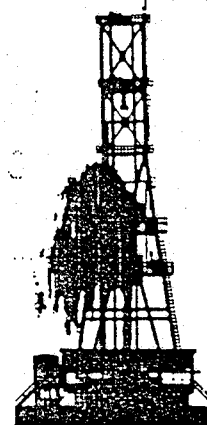
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08
MAR 11 1991

DIVISION OF
OIL GAS & MINING

PETRO - X CORPORATION

970 East 3300 South Suite #9
Salt Lake City, Utah 84106
Telephone: 801-467-7171



DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
UTAH STATE OFFICE
324 SOUTH STATE STREET
SUITE 301
SALT LAKE CITY, UTAH 84111-1203

ATTN: MS. IRENE J. ANDERSON
LAND LAW EXAMINER

JANUARY 4, 1991

RE: SELF CERTIFICATION

GENTLEMEN:

BE ADVISED THAT INSOFAR AS PETRO-X CORPORATION IS CONCERNED, PETRO-X CORPORATION WILL PERFORM OPERATIONS ON THE WELLS AND THE LEASES CONVEYED IN ACCORDANCE WITH THE TERMS AND CONDITIONS AS SET FORTH ON THE FEDERAL LEASES INVOLVED.

THE BOND COVERAGE FOR THESE WELLS WILL BE PROVIDED FOR BY A \$25,000.00 CASH BOND ON FILE WITH THE UTAH STATE OFFICE, WHICH WILL HOLD THE AFOREMENTIONED OPERATOR AND BOND LIABLE UNDER THE PROVISIONS OF 43 CFR 3106. 7-2 FOR THOSE CONTINUING RESPONSIBILITIES AND OPERATIONS.

RESPECTFULLY SUBMITTED,

PETRO-X CORPORATION

BY:


R. GARRY CARLSON
PRESIDENT

ATTEST:


DEAN H. CHRISTENSEN, SECRETARY

CC: VERNAL DISTRICT
MOAB DISTRICT
FIRST ZONE PRODUCTION, INC

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MAR 08 1991

DIVISION OF
OIL GAS & MINING

Moab District
P. O. Box 970
Moab, Utah 84532

eff. 1/24/91
JAN 24 1991

3152
(U-03759*FZP)
(U-15962A)
(U-19037)
(U-20563A)
(U-22683)
(U-31262)
(U-31738) ✓
(U-39499*FZP)
(U-42223*FZP)
(U-5791)
(U-065)

Mr. R. Garry Carlson
Petro-X Corporation
970 East 3300 South, Suite 9
Salt Lake City, Utah 84105

Re: Change of Operator from First Zone Production, Inc. to Petro-X Corporation

Dear Mr. Carlson:

We have reviewed your request to assume operatorship of all Moab District wells held by First Zone Production, Inc. The BLM, Utah State Office has advised us that a bond in the name of Petro-X has been accepted. We have no objection to this request, and we offer this letter as our approval.

If you should have any questions, please call Eric Jones at (801) 259-5111.

Sincerely yours,

/S/ WILLIAM C. STRINGER

Assistant District Manager,
Mineral Resources

cc:
U-063
U-942

bcc:
Wang Maintenance, Freudiger (delete)

EJones:py 1/23/91 Wang #2897f

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MAR 08 1991

**DIVISION OF
OIL GAS & MINING**

UTU42601

1

P+A

27S

24E

15 NWNW

Petro-X Corp Approved 1/24/91

FIRST ZONE PROD

Ambrato FZ
4-1-88

UTU42223	43-019-31128	3-1	GS1	20S	23E	3	SWSW
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UTU42223*FZP	43-019-31142	9-6	GS1	20S	23E	9	NESW
	43-019-31085	9-5	GS1	20S	23E	9	SWNW

UTU39499*FZP	43-019-30513	1	GS1	20S	21E	27	NENE
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UTU31738	43-019-31037	1-3	GS1	20S	21E	1	SWSW
	43-019-30603	1-2	GS1	20S	21E	1	NWSE
	43-019-30566	1-1	POW	20S	21E	1	SESW

UTU31262	43-019-31258	9-3	TA ^{DPL?}	21S	23E	9	SENE
	43-019-31201	9-2A	GS1	21S	23E	9	SENE

UTU22683	43-019-30151	18	PGW	20S	23E	31	NWSE
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UTU20563A	43-019-31025	4-1	TA	21S	23E	4	SWSW
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UTU19037	43-019-31015	7	GS1	20S	23E	3	SWSE
	43-019-30992	3	OSI	20S	23E	3	SESW
	43-019-30864	2	POW	20S	23E	3	SESW

UTU16962A	43-019-31284	22-3	DRG	21S	23E	22	SENE
	43-019-31262	22-1-OS	POW	21S	23E	22	SENE
		22-1 Am to 22-1-OS	OSI	21S	23E	22	SENE
	DRL 43-019-31283	22-2	DRL	21S	23E	22	SENE

UTU03759*FZP	43-019-30159	22	GS1	21S	23E	11	SWNW
	43-019-30325	JV-7A	P+A	21S	23E	5	NWNE
	43-019-30141	JV-10	PGW	21S	23E	5	NWNW
43-019-20416		V-8A	PGW	21S	23E	4	NWNE
43-019-30127		V-5	GS1	21S	23E	10	NWNW

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MAR 11 1991

FL ENE CORP

UTU44320		1-8	GS1	21S	07E	8	NENE
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UTU18125		14-27	GS1	17S	08E	27	SESW
----------	--	-------	-----	-----	-----	----	------

UTU16172		1-34	GS1	15S	09E	34	NENE
----------	--	------	-----	-----	-----	----	------

FOSSIL FUELS INC

UTU49928		1-4	P+A	20S	7E	4	SENE
----------	--	-----	-----	-----	----	---	------

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing:	
1-	LCR <i>LCR</i>
2-	DTG <i>DTG</i>
3-	VLC <i>VLC</i>
4-	RJF <i>RJF</i>
5-	RWM <i>RWM</i>
6-	LCR <i>LCR</i>

Attach all documentation received by the division regarding this change.
 Initial each listed item when completed. Write N/A if item is not applicable.

☒ Change of Operator (well sold) ☐ Designation of Agent
☐ Designation of Operator ☐ Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 1-24-91)

TO (new operator)	<u>PETRO-X CORPORATION</u>	FROM (former operator)	<u>FIRST ZONE PRODUCTION, INC.</u>
(address)	<u>1709 S. WEST TEMPLE</u>	(address)	<u>1709 S. WEST TEMPLE</u>
	<u>SALT LAKE CITY, UT 84115</u>		<u>SALT LAKE CITY, UT 84115</u>
	<u>DEAN CHRISTENSEN</u>		<u>DEAN CHRISTENSEN</u>
	<u>phone (801) 467-7171</u>		<u>phone (801) 467-7171</u>
	<u>account no. N 0715</u>		<u>account no. N 3255</u>

Well(s) (attach additional page if needed):

**** SEE ATTACHED ****

Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____

OPERATOR CHANGE DOCUMENTATION

- N/A 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(Btm Approval)*
- N/A 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(Btm Approval)*
- N/A 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) ____ If yes, show company file number: _____.
- See 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
- See 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(3-18-91)*
- See 6. Cardex file has been updated for each well listed above.
- See 7. Well file labels have been updated for each well listed above.
- See 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. *(3-18-91)*
- See 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) No (If entity assignments were changed, attach copies of Form 5, Entity Action Form).
2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only)

1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
2. A copy of this form has been placed in the new and former operators' bond files.
3. The former operator has requested a release of liability from their bond (yes/no) _____. Today's date _____ 19____. If yes, division response was made by letter dated _____ 19____.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated _____ 19____, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
2. Copies of documents have been sent to State Lands for changes involving State leases.
Sent 3-21-91

MICROFILMING

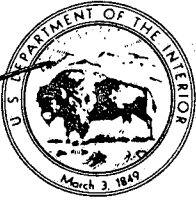
1. All attachments to this form have been microfilmed. Date: March 26 1991.

INDEXING

1. Copies of all attachments to this form have been filed in each well file.
2. The original of this form and the original attachments have been filed in the Operator Change file.

REMARKS

910312 BLM approved eff. 1-24-91. (see attached)



United States Department of the Interior

3162 (U-065)
(U-16962A)

BUREAU OF LAND MANAGEMENT

Moab District
P. O. Box 970
Moab, Utah 84532

JUL 15 1964

3/283

Memorandum

To: Area Manager, Grand Resource Area

From: Assistant District Manager, Mineral Resources

Subject: Rescinding Application for Permit to Drill
Petro-X Corporation
Well No. FZ 22-2 43-019-31289
SENE Sec. 22, T. 21 S., R. 23 E.
Grand County, Utah
Lease U-16962A

Do not LA
~~LA~~ until BLin
resends.
DTS/RJF
10-28-91

The above mentioned APD was approved December 8, 1988.

Could you please field check this location for any surface disturbance?
If there has been no disturbance, we will return their APD.

Please notify the Branch of Fluid Minerals (U-065) within 15 working days of the current status of this location.

_____ No Surface Disburbance/Rescind APD

per _____ dated _____.

X Surface Disturbance/Hold for Successful Reclamation
per D F R [Signature] dated 7-22-91.

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OCT 21 1991

DIVISION OF OIL GAS & MINING

William C. Sturges

Tickler Setup for 3/5/92 fr. memo dated 2/28/91.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab District
P.O. Box 970
Moab, Utah 84532

IN REPLY REFER TO:

[Handwritten signature]

3160
(U-16962-A)
(U-065)

JUL - 8 1992

CERTIFIED MAIL--RETURN RECEIPT REQUESTED
Certification No. P 670 530 500

Mr. R. Garry Carlson
Petro-X Corporation
1709 South West Temple
Salt Lake City, Utah 84115

Re: Rescinding Application for Permit to Drill and
Rehabilitation of Site

Well No. FZ 22-2 *43-019-31283*
Lease U-16962-A *Sec 22 T215 R23E*

Dear Mr. Carlson:

The Application for Permit to Drill (APD) for the above referenced well was approved on December 12, 1988. Our records indicate the pad was constructed the following week. To date, no further activity has occurred.

We have determined that diligent pursuit of production at this well site has not been met. Therefore, we are hereby rescinding the APD.

You will be allowed until November 30, 1992, to rehabilitate the site in accordance with the conditions of approval set forth in the APD. The location shall be seeded sometime during the period of September 1 to November 30. Should you have any questions regarding the rehabilitation of this site, please contact Rich McClure of our Grand Resource Area Office at (801) 259-8193.

If you feel this decision is in error, you may request a State Director Review of this action in accordance with 43 CFR § 3165.3. Such a request, including all supporting documentation, must be filed in writing within twenty working days of the date of receipt of this correspondence to the State Director, Bureau of Land Management, Consolidated Financial Center, P. O. Box 45155, Salt Lake City, Utah 84145-0155. Such request shall not result in a suspension of the action unless the reviewing official so determines.

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JUL 13 1992

DIVISION OF
OIL GAS & MINING

Any questions regarding this letter may be directed to Eric Jones at (801) 259-6111.

Sincerely,

/S/ WILLIAM C. STRINGER

Assistant District Manager
Mineral Resources

Enclosure

1. APD

cc: State of Utah
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203 (wo/Enclosure) ✓
BLM Grand Resource Area U-068 (wo/Enclosure)



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

July 27, 1992

Mr. R. Garry Carlson
Petro-X Corporation
1709 South West Temple
Salt Lake City, Utah 84115

Dear Mr. Carlson:

Re: Well No. FZ 22-2, Sec. 22, T. 21S, R. 23E, Grand County, Utah
API No. 43-019-31283

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

Don Staley
Administrative Manager
Oil and Gas

DME/lde

cc: R.J. Firth
Bureau of Land Management - Moab
Well file

WOI196